GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:1904
ANSWERED ON:13.03.2007
FDI IN MINING SECTOR
Mahto Shri Tek Lal

Will the Minister of MINES be pleased to state:

(a) whether the Government is making efforts to attract Foreign Direct Investment (FDI) at large scale for exploration and mining work in mineral sector;

(b) if so, the details of new mining policy;

(c) the details of FDI made during the last three years and the minerals for whose production, refinement and exploration, it has been utilised; and

(d) the proposed target of FDI for 2007-08?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (Dr. T. SUBBARAMI REDDY)

(a) & (b) The National Mineral policy, 1993 for non-fuel and non-atomic minerals, has thrown open the mining sector for private investment including foreign direct investment (FDI). The above policy envisages that foreign technology and foreign participation in exploration and mining of high value and scarce minerals will be encouraged. FDI upto 100% is now allowed under the automatic route for all non-fuel and non-atomic minerals including diamonds and precious stones.

(c) Mineral concessions are granted by the respective State Governments, which are the owners of minerals in their respective territorial jurisdiction, to individuals, public sector companies, private sector companies and companies with foreign equity participation. According to the information received from Department of Industrial Policy and Promotion, the FDI inflow in the metallurgical industries, including mining, during the last three years are as follows :-

Year	2003-04	2004-05	2005-06	2006-07 (upto Dec. 2007)
FDI inflow (in Rs. Cr.)	146.06	880.95	680.84	678.11

(d) The Government has not fixed any target for FDI in 2007-08.